



International
Energy Agency

Eastern Europe, Caucasus and Central Asia

Energy Policies
Beyond IEA countries

2014 cycle of Energy Policy Reviews

■ Outstanding cooperation and positive practice

● ITS Secretariat

- ◆ Excellent cooperation
- ◆ Organization of review missions

● INOGATE Partner Countries

- ◆ Questionnaires and country submissions
- ◆ Participation and the role of Peer Reviewers
- ◆ Meetings with key energy stakeholders
- ◆ Delivery of preliminary findings and recommendations

■ Way forward

● Publication schedule and launch events

2014 cycle of Energy Policy Reviews

■ Key findings

- **Diverse progress**
- **Public sector challenges**
- **Positive developments in private sectors**
- **Improved investment climate**
- **Reshaping regional markets**
- **New network interconnections**
- **Regulatory framework developments**
- **European agenda and EU Association Agreements**
- **Enlargement of Customs Union**
- **New realities and remaining challenges**

Major changes in the 2014 review cycle

■ General Observation

● Legal and regulatory frameworks

- ◆ Improvements in primary energy legislative frameworks
 - Need for more elaborated, functional secondary legislation
- ◆ Improvements in regulatory frames
 - Need for more transparent tariff structures and methodologies
- ◆ Rule of law remains weak, fueling shadow energy undertakings

● Sustainable development

- ◆ Further push to RES developments, including green tariffs
 - Absence of secondary legislation to ensure market penetration
- ◆ Insufficient commitment for maximizing energy efficiency gains
 - Weak demand side management and insufficient DS data
- ◆ No energy technology related research, development and deployment

Major changes in the 2014 review cycle

● Energy security

- ◆ Focus on Reducing import dependency or maximizing export potential
- ◆ Public sector supported aged infrastructure
 - Inadequate pricing structures and rising public debts
 - Slow restructuring process in cases of natural monopolies
- ◆ Weak supply shortage emergency response mechanisms
 - Absence of demand restraint programmes
 - Weak infrastructure for fuel switching
- ◆ Positive trends in private energy infrastructure ventures

● Regional cooperation

- ◆ Existing interconnections
 - No major break thoughts and weak regional cooperation
- ◆ Positive trends in new cross border infrastructure developments
- ◆ Need for promotion of regional energy market developments

Major changes in the 2014 review cycle

■ Energy policy development trends

- **Segmented public sector managements; inconsistent policies**
 - ◆ Need for data based medium and long term policies
 - ◆ Coherence between energy policy undertakings and economic outlook
 - ◆ Insufficient data analysis to feed policy directions and measures

■ Energy markets

- **Need for most efficient energy market models**
 - ◆ Supported with adequate legal and regulatory regimes
 - ◆ Energy pricing, tariff structures, transparency, consumer boards
- **Energy subsidies**
 - ◆ Current trends and restructuring possibilities
- **District heating sector**
 - ◆ Challenges and opportunities

Major changes in the 2014 review cycle

■ Armenia

- New interconnections, redesign of energy markets
- Positive trends in renewable energy developments
- Need for functional energy efficiency policies and measures

■ Azerbaijan

- Focus on renewable energy developments
- Need for transparent regulatory regime

■ Georgia

- EU Association Agreement; Energy Community Treaty
- Energy policies and measures remain hydro centered
- Weak demand side management; no EE policies and measures

Major changes in the 2014 review cycle

■ Belarus

- Energy sector restructuring instigated
- Stable development, improved investment climate

■ Kazakhstan

- Progress in designing functional energy market fundamentals
- Revisions to the Green Economy concept
 - ◆ Exploring alternative energy sources, including Nuclear
- Changes in energy sector governance set-up

■ Kyrgyzstan

- Developments in RES; large hydro power remains in focus
- Politicized energy pricing; tariffs and subsidies
- weak implementation of energy sector reforms

Major changes in the 2014 review cycle

■ Moldova

- EU Association Agreement
- Progress in harmonizing legislation under the ECT
- Enhanced regulatory framework
- District heating sector restructuring

■ Tajikistan

- Focus on large hydro power developments
- Improved legal framework; weak implementation
- Slow progress in energy sector restructuring/reforms

■ Turkmenistan

■ Uzbekistan

Major changes in the 2014 review cycle

■ Ukraine

- **EU Association Agreement**
 - ◆ Energy Community membership procedures and progress
- **Energy sector challenges and opportunities**
 - ◆ Coal, gas, electricity and heat sectors and infrastructures
 - ◆ Implications to domestic, regional and international markets
 - ◆ Crises management group; Demand restraint procedures
- **Reshaping energy policies, attuning to new realities**
 - ◆ Short, medium and long term outlooks
- **Developments in regulatory structures, adjustments to tariffs**
- **Enhanced legal framework, large body of legislation in place**
 - ◆ Rule of law and halted implementation of energy reforms
 - ◆ Need for uninterrupted policy and sector reforms

Thank you

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International Energy Agency

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